GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1007
ANSWERED ON:20.08.2007
DECLINE IN PROFIT OF CWC
Jha Shri Raghunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the profits of Central Warehousing Corporation (CWC) have declined during the last three years;

(b) if so, the details thereof and the reasons therefor;

(c) the remedial steps taken by CWC in this regard indicating the extent of reduction effected in establishment cost and profitability achieved as on date;

(d): whether CWC hired open plinths instead of utilizing its own storage capacity during the said period; and

(e) if so, the details thereof and the reasons therefor alongwith the amount of rent paid for hiring their plinths?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a)&(b): No, Sir. The income and profits of Central Warehousing Corporation (CWC) are continuously on the rising trend. The break up of profits earned by CWC during 2003-04, 2004-05, 2005-06 & 2006-07 (provisional) is as under:

(Rs. in crores)

Year	Turnover	Profit before Tax	Profit after Tax
2003-04	462.86	33.88	22.43
2004-05	522.87	60.42	41.30
2005-06	619.50	106.95	70.62
2006-07	687.35	146.27	100.27

(c): In order to reduce the establishment cost, the Corporation introduced Special Voluntary Retirement Scheme for its employees during the year 2002-2003 and 2005-2006. In all, 1588 employees opted for the same. In addition to this, the Construction Cells of the Corporation have been progressively merged which are now reduced from 17 to 05. Similarly number of Regional Office has been reduced from 17 to 16 in order to reduce Establishment/Administrative Cost as well as bringing efficiency. The establishment cost to total cost has reduced from 42.49% in the year 2003-04 to 38.48% during the year 2005-06.

(d): No, Sir.

(e): Question does not arise.